

Registered number: 04416528
Charity number: 1092505

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)

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FOLLY'S END FELLOWSHIP TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Mary Melinda Wilson Fish
Frank Geoffrey Stonelake
Dr Christian Jeremy Wilcock (appointed 22 January 2021)
David Williams (appointed 22 January 2021)
Katherine Margaret Valdes (resigned 7 March 2021)

Company registered number

04416528

Charity registered number

1092505

Registered office

3 Ulstan Close
Woldingham
Caterham
CR3 7EH

Independent auditors

Baldwin Scofield Ltd
Chartered Accountants
Statutory auditors
3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

• **Policies and objectives**

The objects of the charity are to advance the Christian faith in accordance with the statement of beliefs, in Croydon and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

• **Strategies for achieving objectives**

The principal aims of the Charity are the worship of God, the instruction of Christians, the care and Christian instruction of young people and children, the evangelisation of non-Christians, the relief of sickness and poverty and the advancement of the Christian faith generally.

FOLLY'S END FELLOWSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

• **Review of activities**

As our previous reports have demonstrated the Trust has significantly struggled financially over the past 12 years. It owned a very large building, which was in a state of disrepair and required urgent maintenance work. It was expensive to maintain and the income of the Trust had been all but lost. The building had been acquired in 2001 by way of a weighty bank loan. The purpose was to provide a home to Folly's End Church, which, at that time, had a large congregation and the income to service these costs. However, in 2008 the majority of the membership left Folly's End Church and from then on, there had been difficulty servicing the bank loan and covering daily costs.

During the years since 2008 the Trust continued to operate both Folly's End Church and Hop Skip and Jump Preschool. Since 2015 the Trustees have also been focussed on the sale of the building to a developer in order to maximise the Trust's financial benefit from its site in Central Croydon, and thereby release financial resource to support the future operations of the Trust. The sale was finally completed in February 2020.

By the end of 2019 the membership of Folly's End Church had dwindled to a point where the Founder of the church ministry together with the Trustees agreed the Church was no longer viable. Folly's End Church closed in December 2019.

After the Summer Term of 2020 the Trustees also decided to end the Trust's involvement in Hop Skip and Jump Preschool. The decision was made after Hop Skip and Jump's founder and long-term leader decided to step down after 25 years service to the Trust and move from the area. The settings were only open three mornings a week and it was felt that a new more vibrant service should be offered.

Since the sale of the building in February 2020 the Trust has appointed a new Chief Executive and immediately commenced a search for premises, which can house a new Christian Nursery. This has been hampered by lockdowns and business continuity issues created by the Covid-19 Pandemic. Consequently, it has been necessary to furlough our staff during the year and our plans to re-launch have, through necessity, been put on hold.

The Founders have left the Trust a very large pool of historic Christian teaching and ministry resources. During 2020 a project was started to re-publish this material in a format suitable for the digital age and this has been ongoing during the latter part of 2020. There was also a large amount of music and books that had yet to be published. The Trust has been working on distributing this material in digital formats and continuing to spread the gospel.

Financial review

• **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

• **Reserves policy**

The Trust maintains reserves and investments primarily for specific purposes. There is no intent to build reserves which are not to be used for specific foreseeable uses.

FOLLY'S END FELLOWSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

● **Financial review**

In 2020 we recorded a surplus of income and gains over expenditure of £1,709,184 (2019: deficit £98,193). Total reserves at 31 December 2020 were £3,306,657 of which £2,978 were restricted funds and £3,303,679 unrestricted.

● **Financial risk management objectives and policies**

The Trust works on a general basis of risk awareness. We operate a management accounting system that allows good understanding of our financial affairs. The Trust has in place a programme to review all of its risks and continues to improve its methods of wider risk assessment.

Structure, governance and management

● **Constitution**

Folly's End Fellowship Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

● **Methods of appointment or election of Trustees**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

New Trustees are mentored by existing Trustees and training carried out through attendance on appropriate courses where considered necessary.

● **Organisational structure and decision-making policies**

The day-to-day decision making of the charity is undertaken by the Chief Executive Officer who reports to the Trustees.

Plans for future periods

As mentioned in our report on activities for 2020, the Trustees plan to launch a new Christian Nursery as soon as practicable in 2021. Our plan is to operate on a larger scale with a much-improved service offering than our previous activities. Although our business planning is detailed and at an advanced stage, our plans will depend on finding and acquiring a suitable premises. We recognise this could yet be a slow process as the Covid-19 Pandemic continues to weigh on business activity and the availability of suitable sites in to 2021.

The Archiving Project which is re-publishing the Trust's ministry material and which started in 2020 will also carry on into 2021 and the Trustees expect the project will be completed next year.

The original vision of Dave and Ze Markee, who were the founders of the Trust, was to provide a Christian ministry which promoted the teachings of Jesus Christ through worship and the family. The Trustees will seek to continue to deliver the charitable objectives of the Trust in a manner which honours the original vision of the Founders. For 2021 and for the near-term, the re-launch of our children's activities will be the first stage in this process. The Trustees have aspirations to add Christian Conferences for the promotion of the Christian faith and development of ministries in the wider Christian community to the activities of the Trust in the future, once the pandemic and government restrictions allows.

FOLLY'S END FELLOWSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

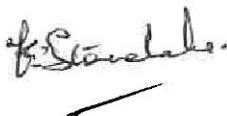
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Baldwin Scofield Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 15 November 2021 and signed on their behalf by:



Frank Geoffrey Stonelake

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOLLY'S END FELLOWSHIP TRUST

Opinion

We have audited the financial statements of Folly's End Fellowship Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

FOLLY'S END FELLOWSHIP TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOLLY'S END FELLOWSHIP TRUST
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

FOLLY'S END FELLOWSHIP TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOLLY'S END FELLOWSHIP TRUST
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework in conformity with the requirements of the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom.

We understood how Folly's End Fellowship Trust is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be a fraud risk. In addition, we considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria and investigated these to gain an understanding and then agree back to source documentation.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with Financial Reporting Standards and the Charities SORP in conformity with the requirements of the Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

FOLLY'S END FELLOWSHIP TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOLLY'S END FELLOWSHIP TRUST
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Baldwin Scofield Ltd
Chartered Accountants
Statutory auditors
3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

15 November 2021

Baldwin Scofield Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

FOLLY'S END FELLOWSHIP TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	1,634	2,500	4,134	30,220
Other trading activities	4	35,691	-	35,691	115,592
Investments	5	-	-	-	89,653
Other income	6	-	600	600	2,276
		<u>37,325</u>	<u>3,100</u>	<u>40,425</u>	<u>237,741</u>
Total income					
Expenditure on:					
Charitable activities	8	59,804	821,578	881,382	335,934
		<u>59,804</u>	<u>821,578</u>	<u>881,382</u>	<u>335,934</u>
Total expenditure					
Net expenditure before net gains on investments		(22,479)	(818,478)	(840,957)	(98,193)
Net gains on investments		7,000	2,538,341	2,545,341	5,000
		<u>(15,479)</u>	<u>1,719,863</u>	<u>1,704,384</u>	<u>(93,193)</u>
Net (expenditure)/income					
Transfers between funds	16	984	(984)	-	-
		<u>(14,495)</u>	<u>1,718,879</u>	<u>1,704,384</u>	<u>(93,193)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		17,473	1,584,800	1,602,273	1,695,466
Net movement in funds		(14,495)	1,718,879	1,704,384	(93,193)
		<u>2,978</u>	<u>3,303,679</u>	<u>3,306,657</u>	<u>1,602,273</u>
Total funds carried forward					

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 26 form part of these financial statements.

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 04416528

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	25,207	1,666,938
Current assets			
Cash at bank and in hand		3,306,996	63,330
		<u>3,306,996</u>	<u>63,330</u>
Creditors: amounts falling due within one year	14	(25,546)	(127,995)
Net current assets / liabilities		<u>3,281,450</u>	<u>(64,665)</u>
Total net assets		<u><u>3,306,657</u></u>	<u><u>1,602,273</u></u>
Charity funds			
Restricted funds	16	2,978	17,473
Unrestricted funds	16	3,303,679	1,584,800
Total funds		<u><u>3,306,657</u></u>	<u><u>1,602,273</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

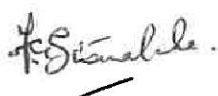
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 November 2021 and signed on their behalf by:



Frank Geoffrey Stonelake

The notes on pages 12 to 26 form part of these financial statements.

FOLLY'S END FELLOWSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Folly's End Fellowship Trust is a company limited by guarantee and registered charity and was established on 15 April 2002. It is governed by its Memorandum and Articles of Association

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Folly's End Fellowship Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

FOLLY'S END FELLOWSHIP TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following bases:

Freehold property	-	Not provided
Long-term leasehold property	-	
Improvements to flat	-	30%
Motor vehicles	-	25%
Fixtures and fittings	-	30%

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

FOLLY'S END FELLOWSHIP TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	-	-	-
Grants	-	2,500	2,500
Government grants	1,634	-	1,634
	<u>1,634</u>	<u>2,500</u>	<u>4,134</u>
		<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations		30,220	30,220

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2020 £	Total funds 2020 £
Charity trading income - tuition fees	35,691	35,691

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Charity trading income - tuition fees	115,592	115,592

5. Investment income

		Total funds 2020 £
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income - rents received	89,653	89,653

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Sundry recharge receipts	600	600

FOLLY'S END FELLOWSHIP TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Other incoming resources (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Sundry recharge receipts	2,276	2,276

7. Analysis of grants

	Grants to trustee 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grants	40,000	40,000	-

The charity made a payment to the trustee, Mr F Stonelake, during the year to reimburse him for a loan made to the charity many years ago that was not recorded in the financial statements of the charity. The Trustees agreed in principle to make the payment of £40,000 in their meeting dated 8 September 2020 pending legal advice and approval from the Charity Commission. The permission was forthcoming and the payment was ratified by the independent trustees on 11 December 2020.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Direct costs of charitable activities	59,804	821,578	881,382

	<i>Endowment funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs of charitable activities	24,000	122,024	189,910	335,934

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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Total funds 2020 £
Direct costs of charitable activities	841,382	40,000	881,382

	<i>Activities undertaken directly 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs of charitable activities	335,934	335,934

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £
Staff costs	321,377	321,377
Depreciation	1,711	1,711
Bank charges	990	990
Building repairs and maintenance	9,085	9,085
Council tax, rent and rates	3,105	3,105
Computer and internet	2,739	2,739
Leaseholder compensation	213,475	213,475
Subcontractors costs	114,908	114,908
Legal and professional fees	117,017	117,017
Insurance	3,341	3,341
Gifts and donations	18,207	18,207
Audit and accountancy	5,610	5,610
Telephone	970	970
Travel and subsistence	3,249	3,249
Utility costs	5,307	5,307
Printing, stationery and postage	663	663
Archive project	12,777	12,777
Motor vehicle expenses	1,661	1,661
Equipment costs	712	712
Schools and trips	284	284
Storage	3,547	3,547
Licences and subscriptions	213	213
Other costs	434	434
	<u>841,382</u>	<u>841,382</u>

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	83,589	83,589
Depreciation	1,315	1,315
Bank charges	1,901	1,901
Building repairs and maintenance	8,879	8,879
Council tax, rent and rates	16,081	16,081
Computer and internet	29	29
Subcontractors costs	138,915	138,915
Legal and professional fees	6,232	6,232
Insurance	14,719	14,719
Gifts and donations	250	250
Accountancy	1,569	1,569
Telephone	2,702	2,702
Travel and subsistence	7,978	7,978
Utility costs	14,538	14,538
Printing, stationery and postage	101	101
Equipment costs	1,650	1,650
Schools and trips	3,525	3,525
Agency staff costs	5,714	5,714
Licences and subscriptions	174	174
Exec leadership and reception	24,000	24,000
Other costs	2,073	2,073
	<u>335,934</u>	<u>335,934</u>

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,800</u>	<u>-</u>

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11. Staff costs

	2020 £	2019 £
Wages and salaries	296,504	83,338
Social security costs	23,994	-
Contribution to defined contribution pension schemes	879	251
	<u>321,377</u>	<u>83,589</u>

Included in wages and salaries is £19,154 paid in respect of redundancy payments to four individuals who were employees of the pre-school which closed operations in 2020.

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Project staff	7	8
Administrative support	1	1
	<u>8</u>	<u>9</u>

No employee received remuneration amounting to more than £60,000 in either year.

The aggregate remuneration of the key management personnel employed by the charity amounted to £87,949.

The founder of the charity, David Markee, did not receive a salary or had a reduced payment for over a decade for his role as the founder and pastor of the church. This was because the church had insufficient funds. David and Rosina both played a significant and vital part in enabling the Trust to continue its mission during this period and it is our firm view that without their input the Trust would not have survived; The Trust remain incredibly grateful to David and Rosina for their sacrifices and dedication over many years.

David received a salary back-payment that was approved by the Trustees, following legal advice, to reflect the years of non-payment or reduced salary. The total underpayment covering this period amounted to £179,545.

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12. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Company. The remuneration relates to the administrative and financial services provided to the charity and not for acting as trustee. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Frank Geoffrey Stonelake	Remuneration	6,000	6,000

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Tangible fixed assets

	Freehold property £	Improvements to flat £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2020	1,663,869	16,596	-	139,535	1,820,000
Additions	-	-	23,753	2,885	26,638
Disposals	(1,663,869)	(16,596)	-	-	(1,680,465)
At 31 December 2020	-	-	23,753	142,420	166,173
Depreciation					
At 1 January 2020	-	13,807	-	139,255	153,062
Charge for the year	-	-	1,498	213	1,711
On disposals	-	(13,807)	-	-	(13,807)
At 31 December 2020	-	-	1,498	139,468	140,966
Net book value					
At 31 December 2020	-	-	22,255	2,952	25,207
At 31 December 2019	1,663,869	2,789	-	280	1,666,938

The charity sold its freehold property 5-9 Surrey Street, Croydon during the year for £4,205,000. The charity has disclosed the gain on the sale in the statement of financial activities that amounts to £2,538,341.

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14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Deposits held re sale of land	-	60,000
Trade creditors	18,904	52,966
Other taxation and social security	23	4,420
Other creditors	1,009	9,040
Accruals and deferred income	5,610	1,569
	<u>25,546</u>	<u>127,995</u>

15. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>3,306,996</u>	<u>63,330</u>

Financial assets measured at fair value through income and expenditure comprise bank balances.

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16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Education fund	300,000	-	-	-	-	300,000
General funds						
General fund	1,284,800	3,100	(821,578)	(984)	2,538,341	3,003,679
Total Unrestricted funds	1,584,800	3,100	(821,578)	(984)	2,538,341	3,303,679
Restricted funds						
Church Centre, Complex fund	1,150	-	-	-	-	1,150
Reachout project	1,828	-	-	-	-	1,828
Preschool fund	14,495	37,325	(59,804)	984	7,000	-
	17,473	37,325	(59,804)	984	7,000	2,978
Total of funds	1,602,273	40,425	(881,382)	-	2,545,341	3,306,657

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16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds				
Designated funds				
Education fund	300,000	-	-	300,000
General funds				
General fund	1,376,561	122,149	(213,910)	1,284,800
Total Unrestricted funds	1,676,561	-	(213,910)	1,584,800
Restricted funds				
Church Centre, Complex fund	1,150	-	-	1,150
Reachout project	1,828	-	-	1,828
Preschool fund	15,927	120,592	(122,024)	14,495
	18,905	120,592	(122,024)	17,473
Total of funds	1,695,466	120,592	(335,934)	1,602,273

17. Summary of funds

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	300,000	-	-	-	-	300,000
General funds	1,284,800	3,100	(821,578)	(984)	2,538,341	3,003,679
Restricted funds	17,473	37,325	(59,804)	984	7,000	2,978
	<u>1,602,273</u>	<u>40,425</u>	<u>(881,382)</u>	<u>-</u>	<u>2,545,341</u>	<u>3,306,657</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
Designated funds	300,000	-	-	300,000
General funds	1,376,561	122,149	(213,910)	1,284,800
Restricted funds	18,905	120,592	(122,024)	17,473
	<u>1,695,466</u>	<u>242,741</u>	<u>(335,934)</u>	<u>1,602,273</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	25,207	25,207
Current assets	2,978	3,304,018	3,306,996
Creditors due within one year	-	(25,546)	(25,546)
Total	<u>2,978</u>	<u>3,303,679</u>	<u>3,306,657</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	1,666,938	1,666,938
Current assets	17,473	45,857	63,330
Creditors due within one year	-	(127,995)	(127,995)
Total	<u>17,473</u>	<u>1,584,800</u>	<u>1,602,273</u>

19. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £879 (2019 - £251).